

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

4th May, 1941.

*June*

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NEW SOUTH WALES (AUSTRALIA).  
MONTHLY DIGEST OF BUSINESS STATISTICS.

JUNE, 1941.

**GENERAL.** Australia's war effort is being intensified. Labour resources are being better organised by greater "dilution" and restrictions upon movements of skilled tradesmen and the use (with subsidy) of engineering trainees in factories in completion of training. Supply of certain locally-produced civilian goods is being curtailed, enabling manufacturing capacity to be transferred to supplying war requirements for Australian and other Empire Forces. To husband materials (and foreign exchange) for war purposes, further commodities have been made subject to export licenses; the use of tin plate and paper in merchandising has been curtailed, petrol rationing has been increased in severity and some endeavour is being made to promote wider use of producer gas units. The local price of copper has been raised to secure, if possible, full supply of expanded Australian requirements from local production.

Subscriptions to the Commonwealth £35 million 2½% and 3¼% War Loan (closed May 19) were £35.8 m. The new (Labour) Government in New South Wales (elected May 10) is examining ways and means of increasing the State's contribution to the nation's war effort.

**EMPLOYMENT.** Seasonal factors caused a slight decrease in employment in New South Wales in the month ended in the middle week of April, 1941 but the number of persons employed (902,116) was 49,985 greater than in April, 1940 and 70,310 greater than in August, 1939. Of the latter increase 60,404 were in private employment (largely in factories - see below). Government employees increased by 12,200 (with increases in government factories a major element) and local government employees decreased by 2,294.

Adult males registered as unemployed at State Labour Exchanges numbered 52,851 in August, 1939; 50,813 in April, 1940 and 20,408 in April, 1941. Reserved occupations are under review. Arrangements to "dilute" skilled labour in sheet-metal working, electrical fitting etc. and moulding as is now practiced in respect of engineers, boiler-makers and blacksmiths are well advanced. Engineer-trainees, after some training in technical schools are to complete training as employees in workshops; employers will receive a subsidy of 50 per cent. of their wages for training periods up to three months. The transfer of resources from civil to war industries is implicit in the curtailment of civilian supplies which is now assuming material dimensions in some directions notably woollen yarn.

The following statement reveals the rapid increase of employment during the war period; achieved in the face of heavy enlistments for Active Service, and the difficulties inherent in establishment of new war industries with which the increase is closely identified:-

**EMPLOYMENT IN NEW SOUTH WALES.**

(Excluding Relief Workers and Men in the Armed Forces not on Civil Paysheets).

Middle Week of -	All Employment.			Employed by Firms with Ten or More Employees.						
	Total Employ- ment.	Private Employ- ment.	In All Factor- ies ø	Mines.	Retail Trade	Whole- sale Trade	Offices & Com- merce.	Ship'g & Rd. & Trnspt	Person- al Ser- vies. &	Other Indus- tries.
	Number of Persons Employed - Thousands.									
il, 1939	837.7	685.6	229.0	21.5	51.4	25.8	27.2	22.2	30.4	19.5
"	831.8	680.3	228.7	21.7	51.3	25.4	27.1	20.7	30.1	18.5
il, 1940 ★	852.1	698.4	239.5	20.7	52.1	26.0	29.3	22.2	30.9	18.3
ch, 1941	902.7	742.0	269.8	21.0	52.5	26.4	29.5	20.7	31.3	18.4
il, "	902.1	740.7	269.2	20.8	52.8	26.6	28.9	20.7	31.6	18.4
crease - '39 to Apr.'41. %	8.2	8.9	17.7	-4.1	2.9	4.7	6.6	...	5.0	- 0.5

ø Includes working proprietors. & Includes hospitals, professions, amusements, hotels, etc. Minus sign (-) denotes decrease. ★ Affected by coal strike.

/MANUFACTURING.....



MANUFACTURING INDUSTRIES.

During the war period the number of persons employed in factories in N.S.W. has increased by 40,500 to 269,200. The index number of factory employment is now 149 compared with 126 in August, 1939 and 132 in April, 1940. This increase takes no account of added man power due to widespread overtime working.

A slight decrease in employment in factories between mid-March and mid-April, 1941 was due mainly to seasonal movements in fruit-canning and jam making and in the clothing trade. There was a further increase in metal-working industries. New munitions factories are in building and others are projected. Building permits for factories were valued in Sept.-Apr. at £817,000 in 1940-41 and £626,000 in 1939-40.

Sales from 42 large factories in March Qr. were £11.74 m. in 1941 compared with £9.21 m. in 1939. This increase is mainly due to enlarged production but higher prices have some part in it. In these factories, over the same period employees increased by 19 per cent. and wage and salary payments by 30 per cent. the latter greater increase reflecting higher wage rates and full-time and overtime working by the greater number employed.

Production of iron and steel and of coal are at a record level and the consumption of gas and electricity in Sydney has increased with the rising trend of industrial activity:-

## CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY. INDEX NUMBERS.

	<u>Apr., 1932.</u>	<u>Apr. 1937.</u>	<u>Apr., 1939.</u>	<u>Apr., 1940.</u>	<u>Apr., 1941.</u>
1929-31 = 100	96	119	125	137	141

Particulars of employment in factories with ten or more employees (appended) give a clear indication of the major place of war industries in recent development:-

Middle Week of -	Cement, Bricks, Glass &c.	Chemicals, etc.	Industrial Metals.	Textiles & Clothing.	Food and Drink	Wood-working &c.	Paper & Printing.	Rubber.
	Persons employed in factories with ten or more employees - Thousands.							
April, 1935	7.45	5.25	42.62	30.80	23.07	7.74	11.84	2.63
Aug., 1939 (a)	11.51	7.24	61.78	36.96	27.96	9.89	14.81	3.68
Apr., 1940	11.75	8.54	63.52	39.30	29.97	9.82	15.11	4.04
Mar., 1941	12.92	9.06	82.73	41.41	32.89	10.39	14.48	4.30
Apr., " (b)	12.77	9.09	83.86	41.04	31.25	10.43	14.50	4.38
Incr.(a) to (b)	10.9%	25.6%	35.7%	11.0%	11.8%	5.5%	-2.1%	19.0%

TRANSPORT. The increase in traffic resulting from industrial and other war activities, the record level of employment, and some curtailment of coastal shipping services is reflected in more profitable operation of State railway, tramway and omnibus services than ever before. Gross working surpluses in July-March increased in 1940-41 compared with 1939-40 for railways by 20 per cent. and for trams and omnibuses by 24 per cent.

Motor fuel supply has important strategic, exchange and shipping implications. The new shale oil enterprise at Glen Davis (N.S.W.) is now in commercial production and will (at present) supply about 10 million gallons of petrol a year. Production of power alcohol is being increased. But only widespread use of producer gas can render Australia reasonably independent of imported liquid fuel. Efforts to promote that end include the calling of tenders by Supply Dept. for large-scale supply to the public of producer gas units, the exemption of units from sales tax and the establishment of charcoal depots along highways. From June 1, 1941 the petrol ration for private non-business use was reduced to about 2,000 miles a year, and further curtailment of supplies for business purposes is likely. New motor vehicle sales have decreased again, but the number of registered vehicles on the roads has decreased only about 4 per cent. during the war period.

Government Railways. N.S.W.			Trams & Buses Sydney & Newcastle		Motor Vehicles $\phi$		
Passen- gers.	Goods Ton mileage.	Working Surplus.x	Passen- gers.	Working Surplus.x	New Sales.	On Register	
					April.	Cars.	Lorries &c.
Mill.	Mill.	£000	Mill.	£000.	No.p.wk.	000	000
1938 140.4	1453	4,907	275.7	597	660	203.2	72.0
1939 141.2	1369	3,745	280.1	500	523	214.7	76.4
1940 134.3	1517	5,097	285.5	558	357	213.6	76.4
1941 142.8	1717	6,105	301.8	694	168	206.9	75.7

$\phi$  Excluding trailers and vehicles in defence services. x Excess of earnings over working expenses, before meeting interest, etc. charges.

#### TRADE AND COMMERCE.

Particulars of overseas trade of N.S.W. are not available for publication. External trade in merchandise of the Commonwealth reflects wartime controls and difficulties; imports have decreased considerably and exports show some reduction. With regard to the latter, however, export income in 1940-41 may be about the same as in 1939-40 when account is taken of payment for wool irrespective of actual shipment. The export of a further list of commodities, including machines and machinery, metal manufactures including tools of trade and vehicles, and certain metals, drugs, and chemicals was made subject to license as from May 13 1941.

The index number of inter-bank clearings in Sydney in the three months ended April was the same (111) in 1941 as in 1940. As payments to primary producers were not as great this year as last year the implication is that war activities are a greater factor in the business situation.

Sales at wholesale and at retail show increases in value compared with a year ago, but with allowance for higher prices, and in wholesale trade, for supplies of war goods to the Government, it appears that consumer buying has not increased significantly. Latterly there has been some increase in sales of real estate but the turnover of property does not approach that in 1938 or 1939.

	Bank Clearings (Sydney.)		Wholesale Trade (N.S.W.)		Retail Trade. (Sydney)	Real Estate. (N.S.W.)	
	Amount.		Sales.		Sales.	Sales.	Mortgages.
	April.	Jan.-Apr.	March.	March Qr.	March Qr.	Jan.-Apr.	
	£mill.	£mill.	£mill.	£mill.	Index No.1931 = 100.	£mill.	£mill.
1938	75.7	301.4	15.79	45.72	134	11.72	8.03
1939	70.7	293.2	15.78	45.56	140	10.76	7.68
1940	84.3	343.6	16.97	47.93	144	9.26	6.15
1941	86.9	348.6	17.40	50.72	149	10.19	5.10

#### BUILDING.

To conserve resources for war purposes official sanction is required now for erection of or alterations to buildings costing more than £3,000 (except hotels, £1,000). Private building activity is decreasing. The decrease has been greatest in the city, considerable in country towns and least in the suburbs of Sydney. As regards class of building; a high level of house building has been maintained; there has been active building of flats, and of factory premises, but a marked decrease in the erection of hotels, shops, offices and miscellaneous buildings.

In Sydney and suburbs in the four months ended April the value of permits for private buildings was lowest of any similar period in recent years. Comparisons are:-



## PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

	<u>Houses.</u>		<u>Flats.</u>	<u>Hotels.</u>	<u>Shops.</u>	<u>Factories.</u>	<u>Other</u>	<u>Total.</u>
	<u>Brick</u>	<u>Wood</u>	<u>etc.</u>	<u>etc.</u>	<u>etc.</u>	<u>etc.</u>	<u>Build-</u>	
	<u>etc.</u>	<u>etc.</u>					<u>ings.</u>	
	Monthly Average Value.				£ thousand.			
Yr. 1938	408	76	283	70	48	82	203	1170
<u>Jan.-Apr.</u>								
1939	340	71	198	53	42	133	110	947
1940	365	80	141	54	32	72	97	841
1941	413	51	178	5	19	72	45	783
Apr. '41	386	62	175	3	16	82	51	775

The war effort has necessitated much public building but in March Qr., 1941 public and private proposals together in New South Wales (£4.14 m.) did not reach the value of private building permits alone in March Qr., 1938 (£4.82 m.).

## VALUE OF PROPOSED BUILDINGS - PUBLIC AND PRIVATE - N.S.W.

Quarters ended --	<u>1939</u>	<u>1940.</u>		<u>1941.</u>		<u>1941.</u>	
	<u>Sept.</u>	<u>Dec.</u>	<u>Mar.</u>	<u>June.</u>	<u>Sept.</u>	<u>Dec.</u>	<u>Mar.</u>
x Private Bldgs. £000	4895	3786	3510	4298	4040	4756 *	3312
ø Public "	655	409	676	850	1454	586	825
Total	5550	4195	4186	5148	5494	5342	4137

x Covering areas embracing 73 per cent. of population of N.S.W. ø All contracts accepted in N.S.W. \* Increase anticipatory to introduction of building control.

BUILDING SOCIETIES. Partly to meet the need of housing in areas of industrial expansion some new co-operative building societies have been formed recently, but generally the formation of new societies is hampered by the difficulty of arranging finance; institutions tend to reserve funds for war purposes. The progress of these societies was:-

Building Societies	At 31st Dec., 1938.	Increase during				At 31st March, 1941.
		Year 1939.	1st Half, 1940.	2nd Half, 1940.	March Qr., 1941.	
Members	No. 17,801	1,452	240	378	772	20,643
Shares	000 217.2	31.6	4.9	10.3	12.7	276.7
Advances Made ø £000	5,526	3,623	1,129	819	355	11,452

ø After deduction of loans discharged.

Since the scheme began in 1938 lending institutions have undertaken to lend £13.89 m. to societies of which there were 194 registered on March 31, 1941. The Societies have approved 16,980 loans totalling £12.53 m. (including £433,000 discharged) of which 9,407 were to build new homes, 5,907 to buy existing (50 to 60% newly-built) homes, 1,333 to re-finance mortgages on homes and 312 to add to or alter homes. Twentyone loans for other purposes were approved. Advances made and outstanding were £11.45 m. at March 31, 1941.

FINANCE. By Order published on May 29, 1941 all persons in Australia owning United States or Canadian dollar funds or currency, either in Australia or oversea, are obliged to sell these to the Commonwealth Government. These funds have been frozen since the war began, and excluding about \$1.3 m. already voluntarily sold to the Treasurer, are believed to amount to about \$1.5 m.

The Commonwealth War Loan of £35 m. closed on May 19 with subscriptions totalling £35.86 m. Individual subscriptions numbered 56,530 compared with approximately 22,000 to the £28 m. loan of November, 1940. About two-thirds of the loan was taken at  $3\frac{1}{2}$  per cent. maturing in 1950-56 and the remaining one-third at  $2\frac{1}{2}$  per cent. for five years.

/Prices.....

Prices of ordinary company shares declined in Sydney in the middle weeks of April, 1941 in reaction to adverse war news and weakness on Wall Street. During the past month the market has been steady. Values remain below the level ruling in March last, are about 10 per cent. higher than in June, 1940. Index numbers of average value of ordinary company shares on the Sydney Stock Exchange were:-

1940 and 1941:	<u>Apr.</u>	<u>June.</u>	<u>Jan.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May.</u>
Par value = 100	174	151	174	171	168	(165)

Prices of Government securities touched their highest level since October 1940 but have made some recovery over the past fortnight. Current yields are about  $\frac{7}{8}$  per cent. below the level at the beginning of the war. Recent changes in net redemption yield (weighted and calculated on earliest date of maturity) were as follow:-

#### COMMONWEALTH GOVERNMENT SECURITIES - NET REDEMPTION YIELDS.

	Five and Under Ten years maturity.			Ten and over Ten years.	
	Fully Taxed	Part Taxed	All Securities	Fully Taxed	Part Taxed.
	Interest yield £. s. d. per annum.				
Sept. 25, 1940	3 3 2	3 2 10	3 2 10	No	3 4 5
Jan., 29, 1941	3 4 2	2 17 7	2 18 6	Securities	2 19 8
Mar. 26, "	3 2 10	2 18 9	2 19 5	"	3 0 6
Apr. 30, "	3 4 2	3 1 5	3 1 10	"	3 4 0
May 14, "	3 4 2	3 1 10	3 2 2	"	3 4 0
May 28, "	3 4 2	2 19 8	3 0 5	"	3 2 9

Weighted average rates of interest on private first mortgages show little change except for a slight tendency toward decline in rates on rural mortgages. Averages for the three months ended April, 1941 were 5.5 per cent. on urban and 4.9 per cent. on rural mortgages. These rates are 0.3 and 0.6 per cent., respectively lower than in the last quarter of 1939.

**SAVINGS.** Small savings have increased rapidly. In March and April together (to include Easter) the increase in savings bank deposits was greater in 1941 than in any recent year. Changes in depositors' balances in this period were:- in 1941 + £847,000; in 1940 - £111,000; in 1939 - £369,000 and in 1938 + £513,000. At April 30, 1941 the amount on deposit in savings banks was £86,982,000. In the ten months ended April, 1941 there was an increase of £4,841,000 in savings deposits and net purchases of War Savings Certificates were approximately £3,466,000; a total of about £8,337,000.

**PUBLIC FINANCE.** The budgetary position has improved in N.S.W. as a result of increased revenue due to buoyant economic conditions and the marked increase in receipts from the railways and tramways and omnibuses. At the end of April, 1941 the position was £2.54 m. better than at the corresponding date of last year. Sinking fund payments in 1940-41 are to be £2,144,000 compared with £1,972,000 in 1939-40.

New South Wales Government.		Ten Months ended April.				
		1937.	1938.	1939.	1940.	1941.
Revenue	£ million	42.98	46.23	45.64	49.01	52.77
Expenditure	£ million	43.59	47.43	48.64	52.33	53.54

**PRIMARY INDUSTRIES.** April, 1941 was an almost rainless month. Some useful rain fell in May but pastures have deteriorated and copious rain is needed to assure winter pasturage and to render conditions favourable for early development of wheat crops just sown and now being put in. Indications are that the area planted with wheat will be rather less than that of last season. The maize harvest is forecasted at 4.2 million bushels compared with 2.83 m. bus. in 1940 and the average of 3.15 m. bus. for the five seasons ended 1940. Wool production in 1940-41 will not be greatly below that in 1939-40, and above the average in recent years.



Butter production has decreased, partly due to normal seasonal causes, but some important dairying districts have had insufficient rainfall. Steps are in train to meet Britain's request to supply more cheese in place of butter and to expand production of powdered and condensed milk. The shipment of butter in tins, to enable transport without refrigeration, is being tried also.

An increase on May 5, 1941 of £8 to £86.10s. a ton raised the price of refined copper in Australia £22.12s.6d. a ton above that fixed early in the war. Australian production of copper does not meet the expanded requirements of Australian industries and the higher price is to enable a bonus of £5 a ton to be paid to small producers and in respect of added production of the two principal copper mining companies.

## THE WORLD WHEAT SITUATION.

World stocks of wheat are far greater than ever before; world import demand is much reduced and there is no prospect of early improvement in the statistical position. Major wheat exporting countries are restricting wheat growing.

Prospects for 1941-42 crops appear mostly satisfactory except in parts of Europe. Apart from Britain's purchase of 120 m.b. of Canadian wheat, world trade in wheat has been small.

Prices are arbitrary and in London are steady. Locally the wheat market is quiet and prices are unchanged.

## WORLD

## PRODUCTION

## AND SUPPLIES,

1940-41.

It is not possible to supplement information given in earlier issues regarding wheat production in 1940-41 and the supply situation.

Though the world wheat harvest of 1940-41 (about 4,065 million bus.) was about 220 m.b. less than that of 1939-40 this was offset by the reduced disappearance of wheat, and supplies were about 30 m.b. greater than in 1939-40. Moreover China and Russia, for which definite figures are not available, almost certainly produced more wheat than in the preceding season.

These are the broad outlines of the present world wheat situation:-

for the third successive season supplies in 1940-41 have attained a new record level;

these are heavily concentrated in major exporting countries, embarrassing in Canada, and nearly so in Argentina;

that "within Europe (quoting Stanford Food Research Institute) there are almost as many different national wheat, bread-grain, and food problems as there are countries" though, if equitably distributed the European wheat supply supplemented by alternative grains, would be adequate until the next crop is harvested;

world import demand has fallen to the lowest level for many years, and is unlikely to revive during the war period.

Prospects are that on July 31, 1941, Canada will have a carry-over of 556 m.bus. of wheat. This exceeds by 14 m.b. the average world carry-over for the years 1923-27, regarded by the trade as "normal".

The combined carry-over of Canada, the United States, Argentina and Australia is expected to exceed 1,100 m.bus. - 350 m.b. more than in 1940. The situation is without precedent and is unlikely to be rectified except by drastic arbitrary measures in major wheat growing countries.

The United Kingdom is the sole remaining extensive importer of wheat. During the ten years ended 1939 Great Britain's average annual net imports from all sources were 213 m.bus. plus a domestic crop of 57 m. bus., making a total of 270 m.b. It is probable that British production has increased by not less than 30 m.b. (the area sown with wheat is reliably reported to have increased by 50 per cent.) Milling restrictions, etc. will also keep down British import requirements. Adding demands from Spain, Portugal, The Orient, and lesser importing countries it seems likely that for the duration of the war import requirements may barely reach 350 m.b. a year.

## NATIONAL

## WHEAT POLICIES.

Particulars of measures taken to curtail wheat production in Canada, Argentina and Australia are given in earlier notes (BS.1941/4A, p.6; 1941/2A, p.9 and 1941/1A, p.9). It is understood that in the United States no major change in regard to acreage control has been made in respect of this season's wheat crop, but from piece-meal cabled information it would seem that a recent substantial increase in basis of wheat loans is associated with agreement to reduce the area sown next season.

A Washington message dated June 2 reports an announcement by the U.S. Dept. of Agriculture that wheat farmers have voted for marketing restrictions for the 1941 (1942?) crop. In 37 States 80 per cent. of the growers favoured the restrictions.

/From a



From a trade source it appears that under the U.S. Agricultural Adjustment Act the parity price of wheat for the season 1941-42 (i.e. of wheat harvested in 1941) has been declared at 113.2 cents a bushel. Growers co-operating with the administration (about 85 per cent. last season) will be eligible for advances equal to 85 per cent. of the parity price, i.e., 96.2 cents a bushel less freight and charges. This gives 85 cents a bus. compared with 65 cents a bus. at farm last season. (The parity price is that required to make the purchasing power of the commodity - in this case, of wheat - correspond to its purchasing power over other commodities in the years preceding the Great War.)

#### PROSPECTS. 1941-42.

The earliest Northern Hemisphere crops are now in an advanced stage; main harvesting of winter wheat will take place within two months and spring crops will be harvested during July and August into September. Adverse sowing weather and varied weather throughout the period of growth will mean later harvesting than usual of European winter wheat. During May warmer weather with rain (which suited crops) was experienced in western and central Europe. French, Spanish and Portuguese wheat was reported to be greatly below average condition with much area totally lost. In Italy, too prospects were unfavourable. Without giving details the International Institute of Agriculture (Rome) is said to have reported the area under wheat in Europe this season as greater than ever before. A trade report indicates Rumanian wheat acreage as greatly reduced but notes the possibility that under German instructions wheat lands may have been applied to the production of oil seed crops which normally are grown extensively in Rumania.

The fourth official estimate of the Indian wheat crop shows a reduction of 17 m. bus. to 372 m.bus.

#### AREA AND PRODUCTION OF WHEAT - INDIA.

		<u>Av. 1933-37.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
Area	Acres 000	34.0	35.3	34.0	34.5
Production	Bus.mill.	356.2	370.6	402.6	372.2

The Indian rice harvest was reported as one-sixth smaller than that of last season. Reduced grain production in India may provide an opening for some Australian wheat.

A week ago drought prevailed over the eastern half of the United States. Continuance of unseasonably hot weather without rain could cause much damage to maturing winter wheat and prejudice prospects for spring sown wheat. At May 1, 1941 it was estimated that 653.1 m. bus. would be produced from 40.3 m.ac. sown with winter wheat in the United States. This is 156 m. bus. above the average 1933-37 and 64 m.bus. greater than the harvest of 1940.

The first estimate of the spring sown wheat area in Canada is 21.1 m.ac compared with the June estimate of 27.8 m.ac for last year's spring crop, and the average of 24.5 m.ac. in 1923-27.

Argentina has experienced good autumn weather and conditions are favourable for crops now being sown. (Sowing and harvesting are usually about a month later in Argentina than in Australia.)

Major Australian wheat belts lacked adequate autumn rains and this hampered sowing. It is expected that in New South Wales the area under wheat this season will not be as great as in 1940-41. Occasional showers in recent weeks and general rains in the last few days covering N.S.W., Victorian and South Australian wheat lands will assure crops of a fair start. Most of the Western Australian wheat belt has also had rain in recent weeks.

TRADE. In May the British Ministry of Food purchased 120 m.bus. of Canadian wheat for delivery before May, 1942. This represents roughly two-thirds of Britain's import requirements for a year under present conditions. It is the largest single wheat deal in history and follows upon the 100 m.b. order given Canada in August, 1940. No other major international transactions have been reported in recent weeks.

A trade estimate of world wheat shipments shows an average of about 10 m.bus. a week for the past five weeks. This is much above the average during the Northern

Hemisphere winter months and doubtless reflects movement of Canadian grain following upon the opening of the St. Lawrence. Beside British orders wheat probably has moved also to Spain and Portugal in fulfilment of orders placed earlier in the year.

PRICES. On May 14, 1941 wheat futures in Chicago touched a dollar a bushel for the first time for exactly a year after a sharp rise due to the increase in Government loan price (see above). This had only a purely domestic significance and subsequently prices eased; on May 31 Sept. options were  $96\frac{1}{8}$  cents compared with  $99\frac{5}{8}$  cents on May 14 and  $89\frac{3}{8}$  cents a bushel on April 30. In Winnipeg quotations showed no appreciable change and were the same ( $75\frac{7}{8}$  cents a bus.) at the end of May as a month earlier.

Wheat prices show no relationship to the market factors of supply and demand, but are the result of arbitrary measures to support and control prices. The nearest approach to a market price is that of quotations in London. These, too, are based upon arbitrary determinations but in a measure they reflect the prices paid for wheat in actual purchases by the British Ministry of Food. Stability has been their characteristic over a long period and the prices are about midway between the fairly high and very low levels in 1933 and 1939, respectively:-

PRICES OF WHEAT PARCELS - LONDON BALTIC EXCHANGE.

	May, 1938.	May, 1939.	May, 1940.	Mar., 1941.	Apr., 1941.	May, 1941.
Shillings and pence per Qr. (8 bus.) (end of month)						
No.1 Manitoba	40 $3\frac{1}{2}$	28 3	31 $4\frac{1}{2}$	32 $1\frac{1}{2}$	32 9	32 3
Rosafe (A'tine)	n.q.	21 $1\frac{1}{2}$	n.q.	20 $4\frac{1}{2}$	20 9	20 9
Sth. Australian	30 0	24 0	27 3	27 6	27 6	27 6

n.q. Not quoted.

LOCAL TRADE. There is no wheat for sale for export as grain in New South Wales (or Victoria). No large orders for wheat for flour for export have been reported in recent weeks, though from time to time wheat has been bought for gristing for oversea - presumably mainly for regular Island and Eastern customers. The local market is quiet. The Australian Wheat Board quotes prices for wheat for export flour on application. For flour for local consumption the Board's prices have been unchanged since August 5, 1940. Silo wheat for local flour is at 3s.11 $\frac{1}{4}$ d. a bus., ex trucks, Sydney. This is about 50 per cent. above the market price of two years ago. The course of wheat prices in Sydney is shown in the following table:-

PRICES OF BULK WHEAT - SYDNEY. (a)

Monthly Averages - Per Bushel, ex trucks, Sydney.  
Excluding bounty and including storage charges when payable.

Season ended Nov.	Av. for Season.	Dec.	Jan.	Feb.	March	April.	May.
	s.d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1933-34	2 9	2 7	2 6	2 5	2 6	2 6	2 7
1936-37	5 3	5 4	5 2	5 $10\frac{1}{2}$	5 $4\frac{1}{2}$	5 5	5 4
1938-39	2 5	2 6	2 6	2 6	2 4	2 5	2 7
1939-40	(3 $5\frac{3}{4}$ )	3 5	3 $9\frac{1}{2}$	3 $9\frac{1}{2}$	3 $9\frac{1}{2}$	3 11	4 0
1940-41	-	3 $11\frac{1}{4}$	3 $11\frac{1}{4}$	3 $11\frac{1}{4}$	3 $11\frac{1}{4}$	3 $11\frac{1}{4}$	3 $11\frac{1}{4}$

(a) Shippers offers, ex trucks, Sydney to Dec., 1939; subsequently Aust. Wheat Board's price for wheat for local flour.

No recent report as to progress in disposal of Australian wheat has been published by the Australian Wheat Board. For silo wheat in No.2 Pool (1939-40 wheat) growers have received advances equivalent to about 2s.10d. (net.) a bus. at country sidings. The first advance on No. 4 Pool (1940-41 wheat) gives farmers about 2s.5d. a bus.(net) Further payments are expected in respect of wheat in these pools.

FLOUR. Particulars of exports of flour from New South Wales are not available for publication. There has been no change in the price of flour in Sydney (£12.13s. a ton, including tax) since Nov.14, 1940. Since Oct 23, 1940 the rate of flour tax has been £2.8s.10d. a ton.